

(In thousands of dollars)

Program	Request	House	Senate	Conference
Operation and Maintenance, Navy	(37,000)	(37,000)	(37,000)	(37,000)
Operation and Maintenance, Marine Corps	(38,000)	(38,000)	(38,000)	(38,000)
Operation and Maintenance, Air Force	(136,200)	(136,200)	(136,200)	(136,200)
Operation and Maintenance, Defense-Wide	(23,900)	(22,000)	(23,900)	(23,900)
Operation and Maintenance, Army Reserve	(13,500)	(13,500)	(13,500)	(13,500)
Operation and Maintenance, Navy Reserve	(5,500)	(5,500)	(5,500)	(5,500)
Operation and Maintenance, Marine Corps Reserve	(1,900)	(1,900)	(1,900)	(1,900)
Operation and Maintenance, Air Force Reserve	(6,000)	(6,000)	(6,000)	(6,000)
Operation and Maintenance, Army National Guard	(13,900)	(13,900)	(13,900)	(13,900)
Operation and Maintenance, Air National Guard	(16,300)	(16,300)	(16,300)	(16,300)
DoD Electrical Demand Reduction	24,500	41,500	24,500	41,500
Operation and Maintenance, Army	(300)	(7,100)	(300)	(300)
Operation and Maintenance, Navy	(14,000)	(21,200)	(14,000)	(24,200)
Operation and Maintenance, Marine Corps	(5,400)	(5,400)	(5,400)	(5,400)
Operation and Maintenance, Air Force	(4,800)	(7,800)	(4,800)	(4,800)
Operation and Maintenance, Defense-Wide	(0)	(0)	(0)	(6,800)
Real Property Maintenance	186,000	144,300	293,000	271,300
Operation and Maintenance, Army	(107,000)	(91,000)	(214,000)	(214,000)
Operation and Maintenance, Navy	(44,000)	(31,500)	(44,000)	(31,500)
Operation and Maintenance, Air Force	(16,000)	(6,800)	(16,000)	(6,800)
Operation and Maintenance, Army National Guard	(19,000)	(15,000)	(19,000)	(19,000)
Aircraft Depot Maintenance	276,000	276,000	276,000	276,000
Operation and Maintenance, Navy	(77,000)	(77,000)	(77,000)	(77,000)
Operation and Maintenance, Air Force	(175,000)	(175,000)	(175,000)	(175,000)
Operation and Maintenance, Air Force Reserve	(14,000)	(14,000)	(14,000)	(14,000)
Operation and Maintenance, Air National Guard	(10,000)	(10,000)	(10,000)	(10,000)
Ship Depot Maintenance	200,000	200,000	200,000	200,000
Operation and Maintenance, Navy	(200,000)	(200,000)	(200,000)	(200,000)
Ship Depot Operations Support	0	0	20,000	20,000
Operation and Maintenance, Navy	(0)	(0)	(20,000)	(20,000)
Spare Parts	0	0	30,000	25,000
Operation and Maintenance, Army	(0)	(0)	(30,000)	(25,000)
Pacific Command Initiatives	0	0	38,000	38,000
Operation and Maintenance, Navy	(0)	(0)	(38,000)	(38,000)
East Timor	0	0	5,000	5,000
Operation and Maintenance, Army	(0)	(0)	(2,400)	(2,400)
Operation and Maintenance, Marine Corps	(0)	(0)	(2,600)	(2,600)
Strategic Lift in the Pacific	0	0	5,000	5,000
Operation and Maintenance, Marine Corps	(0)	(0)	(5,000)	(5,000)
Classified Programs	65,200	96,400	47,950	87,850
Recruiting and Advertising	0	25,000	0	20,900
Operation and Maintenance, Army	(0)	(25,000)	(0)	(20,900)

SPARE PARTS FUNDING

The conferees concur with the Senate's recommended reporting requirements concerning supplemental funding for consumable and repairable spare parts.

ARMY RECRUITING AND ADVERTISING

The conferees recommend \$20,900,000, instead of \$25,000,000 as proposed by the House to fund the Army's advertising campaign sufficiently through the end of the fiscal year. The conferees are aware of the Army's advertising efforts to focus on certain audiences, including Hispanics, and directs that no less than \$5,000,000 of the funds provided be used to further increase existing production efforts directed toward Hispanic recruits.

ARMY REAL PROPERTY MAINTENANCE

The conferees do not agree with the direction in the Senate report regarding the allocation of Army real property maintenance funding.

DEPARTMENT OF DEFENSE ENERGY DEMAND REDUCTION

The conferees include \$45,700,000 as proposed by the House instead of \$28,700,000 as proposed by the Senate, for Department of Defense energy demand reduction programs. The conferees are greatly concerned about the impact of Department of Defense energy consumption on the Western power grid. The conferees believe strongly that the Secretary of Defense must address this issue with a plan that combines greater energy efficiencies with a determined effort to fully utilize the Department's significant generating capabilities, as well as the land and other natural resources that are available for lease to private power companies. In order to assist in relieving energy demand during electric power emergencies in the western region during such emergencies, the

Secretary should use all electric generating facilities owned or operated by the Department of Defense in that region, other than hydroelectric or facilities require for high priority military readiness, to generate energy for use by facilities of the Department of Defense or to be interconnected to public electric power transmission and distribution systems for use on a reimbursable basis. Of the funds provided, the conferees direct the following are to remain available through fiscal year 2002 and to be used as follows:

For "Operation and Maintenance, Defense-Wide", up to \$5,500,000, to implement an aggressive energy conservation program which performs energy and sustainability audits of facilities at Department of Defense installations on the Western power grid to produce specific recommendations for immediate implementation of energy conservation measures. The conferees direct that the program be conducted using as equal partners, Brooks Energy and Sustainability Laboratory and Lawrence Berkeley Laboratory, with the inclusion of other entities with expertise in the field as appropriate.

For "Operation and Maintenance, Defense-Wide", \$1,300,000, to conduct a study of installations within the Western power grid for siting potential energy generating facilities under an environmental stewardship program. The conferees note that the National Defense Authorization Act, 2001, expands the Department of Defense's authority to lease real property. This authority could be utilized to site energy generating facilities on installations in return for low cost/no cost reliable power. In addition, there is significant opportunity to leverage private sector investment for environmental restoration in such lease agreements. The conferees direct that the study be focused on and coordinated with an organization having particular experience in establishing a public/private sector

capital investment environmental stewardship program for siting power generation systems and addressing urgent environmental issues with potential installations, their local communities, and regulatory agencies. The conferees further direct that the Secretary of Defense designate an appropriate entity using existing personnel within the Department of Defense to centralize service activities under this initiative, and report to the congressional defense committees not later than March 31, 2002, on the results of this study and efforts by the Department to lease real property for these purposes.

For "Operation and Maintenance, Navy", \$10,200,000 for geothermal well drilling at China Lake.

The conferees direct that in distributing requested funds for the Energy Demand Reduction program, the Department should prioritize projects based upon available data to include increases in installation utility costs, the rate of savings in energy demand the project will produce, and the availability of service resources to complete the project. The conferees further direct the Secretary to submit a report to the congressional defense committees within 45 days of enactment of this Act that describes the complete criteria to be used and the proposed projects for distribution of these funds.

PROCUREMENT

The supplemental request included \$550,700,000 for functions funded in title III, Procurement, of the Department of Defense Appropriations Act. The conferees recommend \$572,650,000 instead of \$488,700,000 as proposed by the House, and \$596,150,000 as proposed by the Senate. The following table summarizes the conferees' recommendations.

(In thousands of dollars)

Program	Request	House	Senate	Conference
Training Munitions	73,000	73,000	31,200	31,200
Procurement of Ammunition, Air Force	(73,000)	(73,000)	(31,200)	(31,200)
C-17 Overhead Casts	49,000	49,000	49,000	49,000
Aircraft Procurement, Air Force	(49,000)	(49,000)	(49,000)	(49,000)